

Guidance Investments to hit RM200m target

by **KAVITHAH RAKWAN**

GUIDANCE Investments Asia Real Estate Partners LLP said it is in a strong position to hit its next target closure of up to RM200 million this year after it completed its first closure in the fourth-quarter of 2015 (4Q15) at RM100 million.

In a press statement yesterday, the fund said it had closed an additional four properties comprising warehouses and distribution centres in Malaysia, Indonesia and Thailand, which are all located within close proximity to dense transport hubs and highway networks.

"They also cover a total net area of approximately 100,000 sq m, with an investment of US\$50 million (RM206.56 million). The fund targets to return an average of 6% to 7% per annum over seven years," a

statement from the fund said.

The fund's investors in its initial closing included government-related institutions in South-East Asia and the Gulf region.

Pius Ho, Guidance Investment's MD of Real Estate Investment Programme, said it is optimistic about the performance of these South-East Asian markets as key growth markets with a young and urban population, industrialisation growth and middle-income retail markets growth contributing to its attractiveness.

"To date, we have closed a total of four properties and have invested 70% of our initial capital of the fund, which is a significant milestone.

"In relation to managing this fund specifically, we have a strong sourcing group in

place, with team members having more than 20 years of experience in investment sales within their own markets," Ho said.

With three offices in South-East Asia, Guidance Investment's Real Estate Investment Programme has "unrivalled expertise in real estate, fund management and deal sourcing in the logistics and industrial sector in this region which will allow the fund to reach its growth targets",

Guidance Investment's director of Asian real estate meanwhile said Malaysia will remain a key market for the fund and the company sees particularly good investment prospects in Penang, the Klang Valley and Johor as it focuses on areas around ports, main transshipment zones and distribution hubs within

these areas.

As global economic challenges are causing investors to shy away from high-risk funds, the company's CEO Dr Hanita Hashim said the company has witnessed an increased demand from investors to proceed with funds that offer lower yield but stable returns.

The company said the structure of the fund is designed to offer investors a stable stream of returns realised from annual rental income, in addition to benefiting from the increasing value of the properties over time and general economic growth in these markets.

The fund is the logistics fund of Guidance Investments, which is the investments management and capital markets arm of Guidance Financial Group llc.